



SOMERSET COUNTY

Larry Post
County Administrator
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November 28, 2011

Mr. Mark Westrum, Chair
Board of Corrections
111 State House Station
Augusta, ME 04333-0111

Dear Mr. Westrum:

Enclosed please find one copy of Somerset County Audit, as well as copies of the appropriate page regarding Somerset County Jail Revenue and Expenditures for FY 2011.

As you will notice, the expenditures exceeded revenues by the amount of \$591,970. This was partly the result of the change in the CAP amount submitted correctly by Somerset County in accordance with Statute. This correct amount of \$4.8 mil was then changed back to \$5.2 mil by someone acting on behalf of BOC. This was brought to your attention on more than one occasion over the past year. The other part of the shortage is the result of not receiving funds owed from the investment fund. Thus, even though we were under budget in expenditures, Somerset County is now in a serious negative financial position due to revenue shortfall from the State. We look forward to receiving this owed money shortly.

FY 2011	Budget	Actual
Taxes	4,864,338	4,864,338
Charges & Intergov. Rev.	<u>1,513,212</u>	<u>873,542</u>
	6,377,550	5,737,880
Expenditures	6,377,550	<u>6,329,850</u>
		(591,970)

Thank you for your prompt action.

Sincerely,

Larry Post
County Administrator

Enclosures

cc: Corrections Working Group

COMMISSIONERS

Robert Dunphy
P.O. Box 70
North Anson, ME 04911

Lynda Quinn
P.O. Box 36
Skowhegan, ME 04976

Gerald York
5 Silver Street
Fairfield, ME 04937

COUNTY OF SOMERSET, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	General Fund	Jail Fund	Jail Project	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 6,527,199	\$ 4,864,338	\$ -	\$ -	\$ 11,391,537
Charges for services	768,994	355,772	-	188,742	1,313,508
Intergovernmental revenues	97,703	517,265	-	147,460	762,428
Investment income	10,159	-	-	-	10,159
Other revenues	55,476	505	-	182,007	237,988
TOTAL REVENUES	<u>7,459,531</u>	<u>5,737,880</u>	<u>-</u>	<u>518,209</u>	<u>13,715,620</u>
EXPENDITURES					
Court Security	85,411	-	-	-	85,411
Superior / District Court	4,659	-	-	-	4,659
Emergency Management Agency	137,285	-	-	-	137,285
District Attorney	377,477	-	-	-	377,477
County Commissioners	342,679	-	-	-	342,679
County Treasurer	150,146	-	-	-	150,146
County Buildings	127,460	-	-	-	127,460
Jail	-	6,280,560	-	-	6,280,560
Telecommunications	1,136,019	-	-	-	1,136,019
Register of Deeds	237,210	-	-	-	237,210
Technical Services	299,496	-	-	-	299,496
Sheriff	1,428,880	-	-	-	1,428,880
Register of Probate	222,079	-	-	-	222,079
Donations / other	142,627	-	-	-	142,627
Other expenses	27,830	-	-	-	27,830
Capital outlay	-	49,290	-	-	49,290
Debt service	2,734,540	-	-	-	2,734,540
Special projects and reserves / designated	93,480	-	-	707,627	801,107
	<u>7,547,278</u>	<u>6,329,850</u>	<u>-</u>	<u>707,627</u>	<u>14,584,755</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(87,747)</u>	<u>(591,970)</u>	<u>-</u>	<u>(189,418)</u>	<u>(869,135)</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in	-	-	-	132,043	132,043
Operating transfers out	(118,869)	-	(1,010)	(14,184)	(134,063)
TOTAL OTHER FINANCING SOURCES USES	<u>(118,869)</u>	<u>-</u>	<u>(1,010)</u>	<u>117,859</u>	<u>(2,020)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(206,616)</u>	<u>(591,970)</u>	<u>(1,010)</u>	<u>(71,559)</u>	<u>(871,155)</u>
FUND BALANCES - JULY 1	<u>1,204,505</u>	<u>310,561</u>	<u>1,010</u>	<u>1,036,277</u>	<u>2,552,353</u>
FUND BALANCES - JUNE 30	<u>\$ 997,889</u>	<u>\$ (281,409)</u>	<u>\$ -</u>	<u>\$ 964,718</u>	<u>\$ 1,681,198</u>

Somerset County Administrator Larry Post issued a letter on November 28, 2011 to Board of Corrections Chair Mark Westrum providing a copy of the Somerset County Audit for FY 2011 as well as copies of the appropriate page regarding Somerset County Jail Revenue and Expenditures for FY 2011. In the letter, Mr. Post indicated that even though they are under budget in expenditures, Somerset County is now in a serious negative financial position due to a revenue shortfall. He further stated that Somerset County looks forward to receiving their owed money shortly.

To view the above-mentioned letters please refer to: <http://howecahill.com/temp/20111207181501078.pdf>

On Wednesday, December 7, 2011 at 10:15 a.m., Somerset County Administrator Larry Post, Somerset County Jail Administrator David Allen, BOC chairman Mark Westrum and Interim BOC Executive Director Tim Leet informally met at the Somerset County Office at 41 Court Street in Skowhegan. The topic of discussion was Somerset County Administrator Larry Post's letter.

The following are some important notations I took at today's meeting:

- Pursuant to PL 2007, Chapter 653 and 30 MRSA section 701 subsection 2-A subsection M., the Somerset County Jail CAP was established at **\$5,363,665**;
- The statutory language that states that Somerset County CAP must be set at the fiscal year 2009-10 level when the new Somerset County Jail is open and operating at a level sufficient to sustain the average daily number of inmates from Somerset County is:

Notwithstanding this subsection, the county assessment for correctional services-related expenditures in Somerset County must be set at the fiscal year 2009-10 level when the new Somerset County Jail is open and operating at a level sufficient to sustain the average daily number of inmates from Somerset County. For the purposes of this subsection, "correctional services" includes the management services, personal services, contractual services, commodity purchases, capital expenditures and all other costs, or portions thereof, necessary to maintain and operate correctional services.

[2011, c. 315, §§1, 2 (AMD); 2011, c. 315, §4 (AFF).]

- Somerset County Jail CAP data:

FY 09	\$5,363,665 (PL 2007, Chapter 653 & 30 MRSA section 701 subsection 2-A subsection M)
FY 10	<u>\$5,281,630</u> *BOC restated CAP (\$82,035) reduction as a result of a summer of 2009 BOC vote to reset Somerset's CAP
FY 11	\$4,863,215 *pursuant to fiscal year 2009-10 Somerset County audit level (adj) Somerset County <u>\$5,281,630</u> (BOC restated CAP) (\$418,415) Variance
FY 12	\$4,863,215 *pursuant to fiscal year 2009-10 Somerset County audit level (adj) Somerset County <u>\$5,281,630</u> (BOC restated CAP) (\$418,415) Variance

- Somerset County Jail Fund balance data:

FY 09	\$590,801 (Note: FY 09 fund balance of \$590,801 went to the county to reduce taxes)
FY 10	\$310,561
FY 11	(\$591,970) (\$281,409) Fund Balance after using FY10 Balance of \$310,561, which was to be designated for Capital Reserve *The Fund balance of \$310,561 for FY 10 was used in the FY 11 county jail budget; *The Fund balance at end of FY 11 is (\$281,409); *The Total Expenditures Exceeding Revenues for FY 11 is (\$591,970)

Respectfully submitted by,
Tim Leet (12-7-11)